

**SUBJECT: Guidance for Property Ownership Requirements
Policy Bulletin #20**

EFFECTIVE DATE: June 1, 1997

The following outlines property ownership requirements for homebuyers and existing homeowners when using Office of Community Development (OCD) funds.

Homebuyers

- C Homebuyers must occupy the OCD assisted property as their permanent year round residence.
- C Homebuyer's ownership in the property including the real estate after assistance must be **individual fee simple ownership (with a recorded deed)**.
- C First mortgage financing must be provided by a lending institution (bank, mortgage company, credit union). **Seller financing and/or land contracts are not allowed.**
- C The OCD assistance must be secured by a lien that will be second only to the first lien as described above.

Existing Homeowners

- C An assisted property must be the permanent year round residence of the applicant.
- C The applicant must have ownership interest in the property (including the real estate) that can be documented in one of the following forms:
 - ☐ Individual fee simple ownership (with a recorded deed).
 - ☐ Individual fee simple ownership subject to a mortgage or other lien securing the debt.
 - ☐ Interest in a properly recorded land sales contract.
 - ☐ Individual member-shareholder in a nonprofit cooperative housing corporation in which the member-shareholder has a proprietary interest in the structure to be rehabilitated.
 - ☐ A life estate interest.
- C The applicant must have all debt current against the property, including taxes. In exceptional cases (with MSHDA approval), the grantee may allow up to one year of taxes to be delinquent.

Should you desire further clarification on the above policy, please contact your Community Development (CD) Specialist or CD staff at (517) 373-1974.